

Chapter: Community Grants	Effective Date: 04/01/18 Page: 1 of 4 Replaces: New Procedure
Subchapter: Grant Compliance	
Division: Probation & Community Services	
Title/Rule: Grant Monitoring Methodology	
Implements: GAA Title IX, TAC.783, UGMS	

(a) Standard

Texas Juvenile Justice Department (TJJD) conducts regular grant monitoring of juvenile probation departments (JPDs). Grant monitoring is impartial, employing set risk assessment protocols, monitoring period selection criteria, statistical sampling procedures, compliance measures, and reporting formats.

(b) Purpose

To outline the methodology by which monitoring of JPD grants is conducted to ensure compliance with grant requirements and safekeeping of state funds.

(c) Procedure

(1) TJJD conducts both regularly scheduled and special focus grant monitoring based on identified risk(s).

(A) A standardized risk assessment is completed in the first month of each new fiscal biennium to determine how often TJJD conducts regularly scheduled grant compliance monitoring with each JPD.

(i) The risk assessment results in a risk rating of high, moderate, or low.

- High risk JPDs have a regular annual grant compliance monitoring conducted in the current fiscal biennium.
- Moderate risk JPDs have a regular quarterly grant compliance monitoring conducted in the current fiscal biennium.
- A random selection of at least 25% of low risk JPDs have a regular quarterly grant compliance monitoring conducted in the current fiscal biennium.

(ii) Risk factors determining the risk rating in order of consideration are:

- amount of grant money received;
- number of different grants received.
- length of time since the last regularly scheduled annual grant compliance monitoring;
- non-compliance citation reports (NCCRs) issued by TJJD in the past two fiscal years; and
- special focus monitoring resulting in one or more finding(s) in the past two fiscal years.

(iii) The risk assessment tool is calculated so that all JPDs have a regular annual grant compliance monitoring conducted at least once in a four fiscal year period.

(B) TJJD may conduct special focus grant monitoring in response to specific risk incidents, including but not limited to:

- (i) TJJD issuance of a non-compliance citation report to a JPD;
- (ii) findings in an independent audit, single-action audit, or other outside audit or monitoring report;

- (iii) reports of irregularities in spending by the JPD or any of its employees;
 - (iv) reports of a JPDs failure to adhere to state or federal laws;
 - (v) reports of a JPDs failure to provide programs for which grant funds were received; and
 - (vi) failure of the JPD to adhere to any requirement in the State Aid and Targeted Grants Contract and General Grant Requirements;
- (2) The monitoring period is selected according to the type of monitoring planned:
- (A) Regular annual grant compliance monitoring scheduled as a result of the risk assessment protocol selects the most recent full fiscal year (FY) eligible to be monitored as determined by the date monitoring is scheduled to begin.
- (i) Monitoring scheduled before January 1st of the current fiscal year is conducted on the full fiscal year prior to the most recently concluded fiscal year.
 - (ii) Monitoring scheduled on or after January 1st of the current fiscal year is conducted on the most recently concluded fiscal year.

Monitoring Begins	Monitored Period
September 1 – December 30, 2017	Fiscal Year 2016
January 1 – August 31, 2018	Fiscal Year 2017

- (B) Regular quarterly grant compliance monitoring scheduled as a result of the risk assessment protocol selects the fiscal quarter in the most recently concluded fiscal year that coincides with the quarter in which the monitoring begins:

Monitoring Begins	Monitored Period
1 st quarter of current fiscal year	1 st quarter of prior fiscal year
2 nd quarter of current fiscal year	2 nd quarter of prior fiscal year
3 rd quarter of current fiscal year	3 rd quarter of prior fiscal year
4 th quarter of current fiscal year	4 th quarter of prior fiscal year

- (C) The monitoring period for each special focus monitoring is selected based on the monitoring goals, documented on the special focus monitoring report (PCS-010), and approved by the county grant manager before monitoring begins.
- (3) Samples for all grant monitoring are determined using a statistical sampling method appropriate for the scope and goal of the monitoring being conducted.
- (A) Regular annual grant compliance monitoring uses population and funding-related methodology for statistical sampling.
- (i) The county's juvenile population size determines the total number of records reviewed for both the initial and secondary samples, with secondary samples being 10% of the initial sample:

Juvenile Population Category	Initial Sample Size	Secondary Sample Size
0 to 1,000	50	5
1,001 to 7,000	75	8
7,001 to 70,000	100	10
70,001 to 999,999,999	150	15

Note: When the sample size is larger than the actual number of records, all records are reviewed.

- (ii) The number of records reviewed for each grant is determined on a pro rata basis by that grant's percentage of the total annual state funds allocated to the monitored grant programs in the monitored year:

Sample Size	150	Total Grant Funds	\$3,850,432.00
Grant Category	Grant Funding Amt.	% of Total Funds	Grant Sample Size
A – State Aid	\$3,548,517.00	94%	140
M – SNDP	\$50,360.00	1%	2
S – P&I (DP)	\$144,242.00	4%	6
T – P&I (TP)	\$40,500.00	1%	2

- (B) Regular quarterly grant compliance monitoring contains only an initial sample and uses the same methodology detailed in section (2)(A) above to determine the sample, with adjustments made for the portion of the year being monitored.

- (i) The sample size is reduced to 25% of the annual sample size associated with the juvenile population category for the JPD being monitored.

Juvenile Population Category	Annual Sample Size	Quarterly Sample Size
0 to 1,000	50	13
1,001 to 7,000	75	19
7,001 to 70,000	100	25
70,001 to 999,999,999	150	38

Note: When the sample size is larger than the actual number of records, all records are reviewed.

- (ii) The number of records reviewed for each grant is determined on a pro rata basis by that grant's percentage of the state funds disbursed to the monitored grant programs in the selected monitoring period:

Sample Size	38	Monitoring Period	FY17 Q3	Total Grant Funds	\$950,762
Grant Category	Grant Funding Amt.	% of Total Funds	Grant Sample Size		
A – State Aid	\$891,986	94%	36		
M – SNDP	\$12,590	1%	1		
S – P&I (DP)	\$36,061	4%	1		
T – P&I (TP)	\$10,125	1%	0		

- (C) For special focus monitoring, the grant monitor either uses the sampling methodology detailed in section (2) (A) and (B) above or defines sampling methods specific to the monitoring. Newly defined sampling methods are based on the monitoring goals, documented on the special focus monitoring report (PCS-010), and approved by the county grant manager before monitoring begins.
- (D) All grants monitored must have at least one record reviewed within that grant. When the sample methodology returns a grant sample size "0" for a particular grant, the monitor must add the record(s) reviewed for that grant to the overall monitoring sample size.

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- (E) Once the number of records to draw is determined, a random sampling technique is used to select the records to review. The grant monitor:
- (i) uses a web-based randomizer application to electronically draw a set of random numbers which identifies the nth transaction to be sampled for each separate grant and internal controls;
 - (ii) reviews records from each initial grant and secondary sample for compliance in the following four areas, as applicable to the monitored grant:
 - allowable expenditures;
 - adherence to identified internal controls;
 - adherence to programmatic requirements; and
 - compliance with the grant contract and applicable laws and regulations.
 - (iii) may discretionarily select additional samples outside the random sample.
- (4) Grant compliance standards are pre-determined to ensure adherence to provisions of the State Aid and Targeted Grants Contract and General Grant Requirements, applicable Texas Administrative Code standards, and all other applicable state and federal law.
- (A) Standards for all regularly scheduled grant compliance monitoring are documented in the Compliance Monitoring Enforcement Tracking System (COMETS).
- (B) For special focus monitoring, the grant monitor either uses the standards already existing in COMETS or defines standards specific to the monitoring. Newly defined standards are based on the monitoring goals, documented on the special focus monitoring report (PCS-010), and approved by the county grant manager before monitoring begins.
- (C) At minimum, each standard contains the following elements:
- (i) standard text;
 - (ii) discussion of standard interpretation;
 - (iii) standard-specific compliance methodology; and
 - (iv) reviewer guidelines.
- (5) All grant monitoring results are provided to the monitored JPD through COMETS or the special focus monitoring report within 10 business days of completing the monitoring.
- (A) The JPD has an opportunity to comment on the monitoring outcomes before the final report is published.
- (B) The Final report is submitted to the JPDs juvenile board chairperson and chief juvenile probation officer and may be submitted to the fiscal officer and applicable program officer(s).
- (C) The JPD may formally dispute any findings.
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